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TAGS: GM PGOV PREL

SUBJECT: AMBASSADOR MURPHY'S INITIAL MEETING WITH GERMAN FM

STEINMEIER

Classified By: POLITICAL MINISTER COUNSELOR GEORGE GLASS FOR REASONS 1.4 B AND D

SUMMARY

11. (C) During a September 13 introductory call by Ambassador Murphy, Steinmeier emphasized his frustration at being unable to distance himself from Merkel in the election campaign. He stated his support for the Magna deal on Opel. He expressed his strong support for President Obama, and underlined the importance of US-German relations. He thought U.S. efforts in the Middle East (and Iran) were on a positive track. He urged U.S. efforts to get Russia on board with P5 1 efforts on Iran. He said the way forward in Afghanistan needed to focus less on caveats and more on benchmarks for the Afghan army, police and education (i.e. part of a new Afghan compact). Despite his uncertain election prospects, Steinmeier was engaged and jovial. He offered no criticism of Merkel. End Summary.

## GERMAN ELECTION

12. (C) The Ambassador called on German FM Steinmeier on September 10. Steinmeier (who is running against Chancellor Merkel in the September 27 German elections) acknowledged his party was down substantially in the polls. He said he was having a very hard time distancing himself from Merkel since he has been part of her government for the past four years. He noted that he would participate in a TV debate with Merkel September 13.

OPEL

13. (C) Steinmeier asked about the (then imminent) GM decision on selling Opel to Magna. Steinmeier noted that if GM retained Opel, it would be important to ascertain whether the terms of retention would be as advantageous as under a Magna deal, and what would happen to the promised four billion euros of EU funds anticipated for restructuring the plants. If GM wanted to close two plants, this would mean no public support. Steinmeier emphasized his belief that some kind of cooperation including GM, Opel and Magna was needed. This would be best for preserving jobs and the Opel brand.

US RELATIONS

14. (C) In response to questions about U.S. relations, Steinmeier said he had fought hard for an Obama victory. He recalled that he had had fights with Chancellor Merkel over having then-candidate Obama speak at the Brandenburg Gate in mid-2008. He said that most Germans are happy that the "complicated period" with President Bush has ended. Steinmeier said that important mistakes had been made, especially in the Middle East; he believed we were on a better track now, especially with Iran. Steinmeier noted that the German Chancellery had close contacts with the White House these days. That said, Steinmeier added that he didn't appreciate remarks by Potus (during the Merkel visit in early summer) that the German elections were already over (as reported in Der Spiegel on July 13). Nevertheless, Steinmeier said there was no reason for any "distance" between him and the U.S. It was particularly important, he added, that the U.S. and Germany coordinate closely in dealing with Russia.

MIDDLE EAST

¶5. (C) Steinmeier emphasized the importance of the Middle East peace process. He said it was the only way to calm the region and possibly provide a way out of escalating tensions with Iran. He asserted that Ahmadinejad had been "destabilized" by the election aftermath in Iran, and the political situation in Iran was no longer the same as before the election. Steinmeier said that even if Ahmadinejad remained tough on the nuclear issue, it was important to continue to seek an open door to negotiations. Nevertheless, he anticipated we were in for a period of additional and stronger sanctions before getting to negotiations.

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## IRAN

16. (C) Steinmeier said that there would be a P5 1 foreign ministers meeting on the margins of UNGA. He would be sending his deputy Silberberg to the meeting with instructions to support more sanctions. He recalled that the Russians and Chinese had been particularly unhelpful at the September 3 P5 1 meeting of Political Directors in Frankfurt. He said it was essential to get Russian collaboration on Iran, otherwise the Chinese would not help either. He suggested it would be helpful if President Obama phoned Medvedev prior to the New York FM meeting on Iran.

## AFGHANISTAN

17. (C) Steinmeier recalled it had been a tough week for Germany on Afghanistan. The government was being criticized for providing insufficient information to the public on the Kunduz air strike. On September 11 the Bundestag Defense Committee would meet to discuss the issue. The Ambassador noted that the German contribution overall to ISAF was important and appreciated by the United States. He noted that the Embassy was making efforts to ensure this message got out. Steinmeier noted that the real concern was with comments from European and U.S. newspapers. He added that since no investigations were complete, he had no reason at present to criticize German military personnel in Afghanistan. However, he indicated that the events of this week may have some effect on how we go forward on Afghanistan

18. (C) Steinmeier said he was not sure it was helpful to describe the way forward as pushing caveats to the side. He explained that it was not possible for him to navigate a route to a Bundestag consensus that would permit him to put German troops in the south of Afghanistan. He said that even if there was a CDU-FDP government next month, they too would not be able to find a consensus in the Bundestag. He asked that we not hit too hard on caveats since it would not make

after the McCrystal report comes out.

things easier for Germany in Afghanistan. At the same time, Steinmeier said he really believed German engagement in Afghanistan was needed. It was important, he said, to create security there.

19. (C) Steinmeier went on to say that the Afghan elections signal a transition to a new period. It will be important in the post-election phase to negotiate precise benchmarks for progress on training and equipping police, building the military, and advancing education. This would need to be part of a new Afghan compact next year. He noted that at present he had no idea how large the Afghan army should be. However, only a precise number would allow us to develop plans to get to that number.

ISRAEL

110. (C) Asked about Israeli PM Netanyahu's recent visit to Berlin, Steinmeier acknowledged knowing Netanyahu for five years. He said that Netanyahu was a conservative but also understood economics; for this reason, he believed Netanyahu could be flexible. The problem was that FM Lieberman was blocking Netanyahu. Steinmeier thought Netanyahu had changed his own position a bit on settlements, but the Israeli population was not presently prepared for any substantial change on settlements.

SYRIA

111. (C) Steinmeier shared his view that it was important to include Israel's neighbors in the peace process. He recalled having "deep conflicts" with former Secretary Rice over including Syria. Steinmeier believe it essential to include Syria. He cautioned, however, that one could only deal with the Syrian President since other senior officials belonged to a variety of different intelligence groups.

COMMENT

112. (C) It was Steinmeier that requested this early meeting with the Ambassador. He was jovial and expansive in his remarks, despite his difficult position at present in the

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election polls. However, many insiders are convinced he is now campaigning for another grand coalition (and keeping his current job) rather than harboring any expectation of leading the next German government.

 $\underline{\mathbb{1}}$ 13. (U) The Amb did not have the opportunity to clear this message.

Delawie